

## THE BIGGEST INDUSTRY THE WORLD HAS EVER SEEN: THE FUTURE OF WORLD TOURISM

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### **Introduction**

The year 2020 will see the penetration of technology into all aspects of life. It will become possible to live one's days without exposure to other people, according to WTO's latest look into the future. But this bleak prognosis has a silver lining for the tourism sector. People in the high-tech future will crave the human touch and tourism will principal means to achieve this.

Tourism is travel for recreational or leisure purposes. The World Tourism Organization defines tourists as people who "travel to and stay in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited".

Tourism companies that manage to provide "high-touch" products will prosper. Upscale, luxury services that pamper and spoil their customers have a bright future in the upcoming century. But WTO's report also predicts good prospects for low-budget destinations and packages. Self-catering holiday facilities, for example, which offer plenty of opportunities for socializing among families and friends. Opportunities abound at both ends of the spectrum and there will be plenty of them.

### **\$5 billion a day industry**

WTO's study Tourism: 2020 Vision predicts 1.5 billion tourists will be visiting foreign countries annually by the year 2020, spending more that US\$2 trillion - or US\$5 billion every day. These forecasts represent nearly three times more international tourists than the 66m million recorded in 1999 and nearly five times more tourism spending, which last year topped US\$453 billion.

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Tourist arrivals are predicted to grow by an average 4.3 per cent a year over the next two decades, while receipts from international tourism will climb by 6.7 per cent a year.

To factor in domestic tourism, WTG multiplies arrivals by 10 and quadruples receipts, which brings us to the grand totals of 16 billion tourists spending US\$8 trillion in 2020.

Tourism in the 21st century will not only be the world's biggest industry, it will be the largest by far that the world has ever seen. Along with its phenomenal growth and size, the tourism industry will also have to take on more responsibility for its extensive impacts. Not only its economic impact, but also its impact on the environment, on societies and on cultural sites, all of which will be increasingly scrutinized by governments, consumer groups and the traveling public.

We hope that Tourism 2020 Vision will be more than a useful marketing tool, that it will act as a warning signal for destinations - helping them recognize the need to prepare for the pressure of growth, WTG is advising destinations to implement long-term, strategic planning and to strengthen" the partnerships, both strategically and at the operational level, between the public and private sectors.

### **Growth of long-haul**

Tourism: 2020 Vision indicates that tourists of the 21st century will be traveling further a field on their holidays, often to China and even to outer space. The percentage of long-haul travel is predicted to increase from 18 per cent in 1995 to 24 per cent by 2020.

Tourism companies looking to cash in on this booming sector are advised to look towards Asia. China will be the world's number one destination by the year 2020 and it will also become the fourth most important generating market. Currently it does not even figure among the world's destinations predicted to make great strides in the tourism industry are Russia, Hong Kong, Thailand, Singapore, Indonesia and South Africa.

Short pleasure voyages to outer space will become a reality by 2004 or 2005, according to the study carried out by WTO Statistics Chief Enzo Paci in consultation with 85 governments and 50 tourism visionaries.

It is expected space trips will last up to four days and cost on average US\$100,000. NASA, the US space agency, has recently surveyed the travel industry for interest in space tourism and some US companies are already taking reservations and deposits from private citizens hoping to become the first tourists in outer space.

But while some travelers may be suiting up for space voyages, the vast majority of the world's population will never leave their own countries, not even by the year 2020.

Only 7 percent of the world's population will be traveling internationally by the year 2020, up from 3.5 per cent in 1996 - but still just the tip of the ice berg.

### European trends

"Tourism: 2020 Vision" predicts that Europe will remain by far the leading inbound tourism region as well as the main generator of international tourists. International arrivals in Europe will reach 717 million by 2020 more than twice as many as last years.

Overall, tourism to Europe is predicted to grow more slowly than the world average; at a rate of 3.1 per cent annually, though some countries will fare better than others. Central and Eastern European countries will become the new motor for Europe, feeding and being fed by other European and long-haul generating markets. Tourism to Central and Eastern Europe will grow by 4.8 per cent a year and the former Soviet Block countries will surpass 200 million arrivals by 2016 - a doubling in last 15 years.

The Eastern Mediterranean countries of Cyprus, Turkey and Israel are also expected to show good growth of 4.6 per cent a year. Tourism to the United Kingdom is forecast to grow by 4 per cent annually, just under the world average. Reflecting world patterns and increasing air travel, Europeans will be taking trips more frequently and further from home. Total outbound travel

from European countries is predicted to reach 771 million trips a year by 2010, again more than twice as many as last year.

Long-haul travel to countries outside of Europe will grow by 6.1 per cent a year in the upcoming decades to reach 15 per cent of all trips taken by Europeans or 115,600,000 departures. Long-haul currently accounts for 12 per cent of European outbound travel or about 42 million trips a year.

Since the typical European tourist who spends his holiday at the beach will be more frequently choosing Asian or Caribbean resorts, European beach destinations are advised to orientate their product development and marketing increasingly to new tourist sources, especially Japan, the newly industrialized countries of Asia and the Americas.

Mature European destinations will have continually to strive to seek product and market differentiation to avoid a tired 'or stale image in major generating markets.

### **Recent developments**

There has been an upmarket trend in the tourism over the last few decades, especially in Europe where international travel for short breaks is common. Tourists have higher levels of disposable income and greater leisure time and they are also better-educated and have more sophisticated tastes. There is now a demand for a better quality products, which has resulted in a fragmenting of the mass market for beach vacations; people want more specialised versions, such as , quieter resorts, family-oriented holidays, or niche market-targeted destination hotels.

The developments in technology and transport infrastructure, such as jumbo jets and low-cost airlines, and more accessible airports have made many types of tourism more affordable. There have also been changes in lifestyle, such as retiree-age people who sustain year round tourism. This is facilitated by internet sales of tourism products. Some sites have now started to offer dynamic packaging, in which an inclusive price is quoted for a tailor-made package requested by the customer upon impulse.

There have been a few setbacks in tourism, such as the September 11 attacks and terrorist threats to tourist destinations such as Bali and European cities. On December 26, 2004 a tsunami, caused by the 2004 Indian Ocean earthquake hit Asian countries bordering the Indian Ocean, and also the Maldives. Thousands of lives were lost, and many tourists died. This, together with the vast clean-up operation in place, has stopped or severely hampered tourism to the area.

The terms *tourism* and *travel* are sometimes used interchangeably. In this context travel has a similar definition to tourism, but implies a more purposeful journey. The terms *tourism* and *tourist* are sometimes used pejoratively, to imply a shallow interest in the cultures or locations visited by tourists.

The World Tourism Organization (UNWTO) forecasts that international tourism will continue growing at the average annual rate of 4 %. By 2020 Europe will remain the most popular destination, but its share will drop from 60% in 1995 to 46%. Long-haul will grow slightly faster than intraregional travel and by 2020 its share will increase from 18% in 1995 to 24%.

With the advent of e-commerce, tourism products have become one of the most traded items on the internet. Tourism products and services have been made available through intermediaries, although tourism providers (hotels, airlines, etc.) can sell their services directly. This has put pressure on intermediaries from both on-line and traditional shops.

It has been suggested there is a strong correlation between Tourism expenditure per capita and the degree to which countries play in the global context. Not only as a result of the important economic contribution of the tourism industry, but also as an indicator of the degree of confidence with which global citizens leverage the resources of the globe for the benefit of their local economies. This is why any projections of growth in tourism may serve as an indication of the relative influence that each country will exercise in the future.

Space tourism is expected to "take off" in the first quarter of the 21st century, although compared with traditional destinations the number of tourists in orbit will remain low until technologies such as a space elevator make space travel cheap.

Technological improvement is likely to make possible air-ship hotels, based either on solar-powered airplanes or large dirigibles. Underwater hotels, such as Hydropolis, expected to open in Dubai in 2009, will be built. On the ocean, tourists will be welcomed by ever larger cruise ships and perhaps floating cities.

### **Latest trends**

As a result of the economic crisis of 2008, international arrivals suffered a strong slowdown beginning in June 2008. Growth from 2007 to 2008 was only 3.7% during the first eight months of 2008. The Asian and Pacific markets were affected and Europe stagnated during the boreal summer months, while the Americas performed better, reducing their expansion rate but keeping a 6% growth from January to August 2008. Only the Middle East continued its rapid growth during the same period, reaching a 17% growth as compared to the same period in 2007. This slowdown on international tourism demand was also reflected in the air transport industry, with a negative growth in September 2008 and a 3.3% growth in passenger traffic through September. The hotel industry also reports a slowdown, as room occupancy continues to decline. As the global economic situation deteriorated dramatically during September and October as a result of the global financial crisis, growth of international tourism is expected to slow even further for the remaining of 2008, and this slowdown in demand growth is forecasted to continue into 2009 as recession has already hit most of the top spender countries, with long-haul travel expected to be the most affected by the economic crisis.

### ***Negative impacts***

Attracting a high volume of tourists can have negative impacts, such as the impact of 33 million tourists a year on the city of New York, or the potential to impact fragile environments negatively, or the impact of the December 26, 2004 tsunami on the tourists themselves. The environment can be affected negatively by cruise ship pollution in many ways, including ballast water discharge, and by pollution from aircraft.

### **The Role of the Internet**

The Internet is a great way to research information however for many, the amount of information has become totally overwhelming, time consuming and at times unreliable. Customer care may

be a concern as the internet is impersonal. When there is a question or concern about a product and/or service purchased online it is often difficult to secure assistance making it time consuming to resolve matters (if at all) without a 'live' person to deal with. Some companies are unresponsive to customer concerns and instead choose to "hide" behind the Internet.

Further, booking travel over the internet may be quite complex as products are not always clearly described in an accurate way; consumers do not have the advantage of best product and price comparisons without knowledge of all possible travel suppliers; insurance options are often inadequately described or explained; as is entry requirements e.g. passports, visas, health and security policies and procedures. Highly trained professional travel agents ensure important information is provided and understood by their client prior to traveling.

Highly trained professional travel agents ensure important information is provided and understood by their client prior to traveling. These are excellent reasons for travelers to use the personal services of an agent rather than book over the Internet.. Providing credit card and personal information on the Internet is required when making an online booking this in itself should be a concern to everyone. Regardless of security and firewalls, many corporations simply can't keep up with hackers and scammers.

### **TOURISM FOR PROSPERITY AND PEACE**

At the start of the new millennium, tourism is firmly established as the number one industry in many countries and the fastest-growing economic sector in terms of foreign exchange earnings and job creation. International tourism is the world's largest export earner and an important factor in the balance of payments of most nations.

Tourism has become one of the world's most important sources of employment. It stimulates enormous investment in infrastructure, most of which also helps to improve the living conditions of local people. It provides governments with substantial tax revenues. Most new tourism jobs and business are created in developing countries, helping to equalize economic opportunities and keep rural residents from moving to overcrowded cities.

Intercultural awareness and personal friendships fostered through tourism are a powerful force for improving international understanding and contributing to peace among all the nations of the world.

### **Recipe for success**

While growth of the tourism industry will be unstoppable in the 21st century, increased benefits cannot be taken for granted. Competition among destinations will also become increasingly fierce.

The study Tourism: 2020 Vision outlines a series of 12 mega trends that will shape the sector and offers advice on how to better compete. No destination or tourism operator can afford to sit back and wait for more tourists to arrive. They have to be won - and there will be winners and losers. To be a winner, there are a number of imperatives:

1. Development focused on quality and sustainability.
2. Value-for-money.
3. Full utilization of information technology to identify and communicate effectively with market segments and niches.

Product development and marketing will need to match each other more closely, based on the main travel motivators of the 21st century. Tourism: 2020 Vision calls these motivating factors the Three E's - Entertainment, Excitement and Education.

### **Objectives of the Study**

The various objectives of this study are as follows

- To evaluate the tourism developments and tourism activities
- To ascertain satisfaction level of tourists on the present system.
- To capture the suggestions given by the tourists on improving the present system.
- To understand the future developments in tourism industry.



## RESEARCH METHODOLOGY

Research is a scientific and systematic search for pertinent information on a specific topic. Research is defined as *careful investigation or inquiry specially through for search for new facts in any branch of knowledge.*

The methodology adopted for the study is as follows:

- A. Sources of Data
- B. Sampling Unit
- C. Sample size
- D. Sampling Technique

### A. Sources of Data

The data will be collected from two sources

1. Primary Data
2. Secondary Data

(1) *Primary Data*: The data which is collected for the first time and thus to be original in character is called Primary Data.

The primary data is basically collected through questionnaires. The respondents need not strain themselves as choices will be provided to the questions. And in case of few questions the respondents are free to present their own views. This method has been chosen because of its simplicity.

The respondents will be contacted personally to collect their views, opinions and suggestions.

(2) *Secondary Data*:

The data which has already been collected by someone else and which has already been passed through statistical process is called secondary data.

In this case the secondary data will be collected from the reports like tourism departments, websites and books various authors and others.

### A. Sampling Unit:

Sampling unit of the study constitutes the tourism department and tourists.

**C. Sample Size:**

Sample Size: 120.

**D. Sampling Technique:**

Simple random sampling – This technique is generally applied in order to obtain a representative sample from the population. Under simple sampling the population is divided into several sub – populations (*strata*) and then we selected items from each stratum to constitute a sample.

**Findings**

- **10% of the entire Global workforce is employed in tourism.** Many countries are experiencing a shortage of trained, knowledgeable travel professionals due to this high growth industry.
  - The industry is expected to grow 4.6 per cent (real terms), to US\$6.5 trillion in 2006
  - The global Travel & Tourism industry is expected to produce 2.5 million new jobs in 2008, comprising 76.7 million jobs, or 2.8 per cent of total world employment.
  - Travel & Tourism are expected to create nearly 10 million new jobs globally, for a total of 234.3 million jobs or 8.7 per cent of total employment."
  - 37% of people online window-shopped for travel services, and 55% of Canadians, or more than 6 out of 10 purchased directly from a travel agency.
  - Travelers spent over \$4 billion in overseas travel in 2008. Cruises, weddings, honeymoons, luxury and adventure travel (all ages) are fast growing travel markets.
  - "Tourism plays a crucial role as a pillar of the national economy" because it "is a multibillion-dollar force."
  - "Tourism is the fastest growing industry in the world, accounting for 10% of global GDP.
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- **Sustainability in tourism :** Firstly, concerns arose over sustainability in tourism. Particular concern arose with regard to climate change, air travel and the true cost of fuel. At present air travel is the greatest source of emissions and there is therefore a move to implement sustainability strategies including issues such as training, more advanced technology, etc.

- **Globalisation: Concentration through mergers and the development of partnerships** : Secondly, while tourism was noted to account for approximately 10% of global GDP, through globalization powers are moved out from Governments into the hands of the private sectors that have increased access to knowledge and innovations.
- **Developments in Technology** : Thirdly, attention turned to the importance of eTourism and the influences technological changes have on the structure of the tourism industry in bringing both opportunities and challenges.
- **Consumer centric technologies and accessibility** : Fourthly, such developments in technology have led to an increased consumer-centric approach to tourism. Additionally, changing population demographics indicate a trend towards increasing numbers of older tourists and the various physical and environmental disabilities experienced by tourists.
- **Pressure on SMEs** : Fifthly, such concerns over sustainability and the development of partnerships were related directly to SMEs as they face pressures to not only diversify, but to exist in a market with competing interests.
- **Innovation and creativity towards competitive advantage** : Sixthly, it was realized there is an ever-increasing demand for new products in tourism. Lower cost no longer means low service and low quality.
- **Constant crisis management** : Finally, in addition to the concerns above, it was recognized that tourism is also facing constant crisis management.

## Conclusion

The importance of image in a tourists' selection of a holiday destination in the future. While an image of safety and security is already an important deciding factor for tourists, holiday makers of the 21st century will be looking for places with a trendy image. As 2020 Vision points out, the next century will mark the emergence the tourism destinations as 'a fashion accessory'. The choice of holiday destination will help define the identity of the travelers and, in an increasingly homogeneous world, set him apart from the hordes of other tourists.

Boutique destinations and space agencies beware! You are on the threshold of meeting the 21st century tourist.

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